

**FISCAL IMPACT--CONSTRUCTION  
PENN SUMNER, LLC**

Construction period-months

27

Opening date

Dec 2010

<b>Proposer's Estimates: 2009-2010</b>							
	<u>State</u>	<u>City of Wellington</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Wellington Schools</u>		
<b><u>REVENUE:</u></b>							
Gaming Rev. Sharing	\$ 3,688,621	\$ 136,616	\$ 136,616	\$ 136,616	\$ -		
Property Tax	2,150	166,575	81,275	-	-		
Sales/Use Tax	158,635	110,198	26,838	-	-		
Income Tax	-	-	-	-	-		
Developer Contributions	10,055,000	2,646,000	-	-	-		
<b>Total</b>	<b>\$ 13,904,406</b>	<b>\$ 3,059,389</b>	<b>\$ 244,729</b>	<b>\$ 136,616</b>	<b>\$ -</b>		
<b><u>COSTS:</u></b>							
Law Enforcement	\$ -	\$ 491,886	\$ -	\$ -	\$ -		
Public Works	10,055,000	2,646,000	-	-	-		
Education	-	-	-	-	360,000		
Fire Protection/EMS	-	2,006,216	-	-	-		
<b>Total</b>	<b>\$ 10,055,000</b>	<b>\$ 5,144,102</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 360,000</b>		
<b>Surplus/(Deficit)</b>	<b>\$ 3,849,406</b>	<b>\$ (2,084,713)</b>	<b>\$ 244,729</b>	<b>\$ 136,616</b>	<b>\$ (360,000)</b>		
<b>Voluntary Contributions to State and Local Governments:</b>							
1. Road/Street improvements estimated at \$10.0 million paid for by proposer.							
2. Water/sewer improvements estimated at \$2.6 million paid for by proposer.							
<b>Consultant's Estimates: 2009-2010</b>							
	<u>State</u>	<u>City of Wellington</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Wellington Schools</u>		
<b><u>REVENUE:</u></b>							
Gaming Rev. Sharing	\$ -	\$ -	\$ -	\$ -	\$ -		
Property Tax	218,832	7,253,405	8,233,772	-	8,755,467		
Sales/Use Tax	12,514,148	2,951,450	2,361,160	-	-		
Income Tax	2,631,393	-	-	-	-		
Developer Contributions	10,055,000	-	-	-	-		
<b>Total</b>	<b>\$ 25,419,373</b>	<b>\$ 10,204,855</b>	<b>\$ 10,594,932</b>	<b>\$ -</b>	<b>\$ 8,755,467</b>		
<b><u>COSTS:</u></b>							
Law Enforcement	\$ -	\$ 1,485,260	\$ -	\$ -	\$ -		
Public Works	10,055,000	2,715,023	-	-	-		
Education	-	-	-	-	5,000,000		
Fire Protection/EMS	-	1,469,347	-	-	-		
<b>Total</b>	<b>\$ 10,055,000</b>	<b>\$ 5,669,630</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 5,000,000</b>		
<b>Surplus/(Deficit)</b>	<b>\$ 15,364,373</b>	<b>\$ 4,535,225</b>	<b>\$ 10,594,932</b>	<b>\$ -</b>	<b>\$ 3,755,467</b>		

**Consultant's Comments:**

- Proposer's and Consultants' GGR estimates reflect a 30% tax rate, 27% to state.
- City of Wellington costs for public works include Street, Wastewater and Electric departments (see Consultant's Estimates).
- Developers Contribution to State Public Works is \$10.1 million and to Sumner County Public Works, \$2.6 million.  
As MBA's analysis does not estimate costs associated with these departments, the analysis uses the costs provided by the developer.

**FISCAL IMPACT--12 MONTHS OPERATING  
PENN SUMNER, LLC**

<b>Proposer's Estimates-1st Full Year</b>					
	<u>State</u>	<u>City of Wellington</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Wellington Schools</u>
<b><u>REVENUE:</u></b>					
Gaming Rev. Sharing	\$ 42,672,115	\$ 1,580,449	\$ 1,580,449	\$ 1,580,449	\$ -
Property Tax	25,800	1,998,900	975,300	-	-
Sales/Use Tax	1,857,528	1,313,167	314,693	-	-
Income Tax	-	-	-	-	-
Developer Contributions	-	-	-	-	-
<b>Total</b>	<b>\$ 44,555,443</b>	<b>\$ 4,892,516</b>	<b>\$ 2,870,442</b>	<b>\$ 1,580,449</b>	<b>\$ -</b>
<b><u>COSTS:</u></b>					
Law Enforcement	\$ -	\$ 522,529	\$ -	\$ -	\$ -
Public Works	-	-	-	-	-
Education	-	-	-	-	240,000
Fire Protection/EMS	-	1,410,865	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 1,933,394</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 240,000</b>
<b>Surplus/(Deficit)</b>	<b>\$ 44,555,443</b>	<b>\$ 2,959,122</b>	<b>\$ 2,870,442</b>	<b>\$ 1,580,449</b>	<b>\$ (240,000)</b>
<b>Voluntary Contributions to Community and Governments (not included above):</b>					
1. To Challenger Learning Center \$4,132/month to retire mortgage until fully paid.					
2. To Wellington C of Commerce and Tourism Bureau up to \$62,440/year.					
3. To Sumner County economic development up to \$40,586/year.					
4. To restore historic building facades \$250,000 plus annual match of earnings on the fund.					

<b>Consultant's Estimates: 1st Full Year</b>					
	<u>State</u>	<u>City of Wellington</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Wellington Schools</u>
<b><u>REVENUE:</u></b>					
Gaming Rev. Sharing	\$ 29,245,440	\$ 1,218,560	\$ 1,218,560	\$ 1,218,560	\$ -
Property Tax	165,718	5,492,902	6,235,321	-	6,630,394
Sales/Use Tax	383,548	90,459	72,368	-	-
Income Tax	1,663,327	-	-	-	-
Developer Contributions	-	-	-	-	-
<b>Total</b>	<b>\$ 31,458,033</b>	<b>\$ 6,801,922</b>	<b>\$ 7,526,248</b>	<b>\$ 1,218,560</b>	<b>\$ 6,630,394</b>
<b><u>COSTS:</u></b>					
Law Enforcement	\$ -	\$ 595,322	\$ 1,008,959	\$ -	\$ -
Public Works	-	134,775	-	-	-
Education	-	-	-	-	1,580,158
Fire Protection/EMS	-	1,033,572	-	-	-
<b>Total</b>	<b>\$ -</b>	<b>\$ 1,763,669</b>	<b>\$ 1,008,959</b>	<b>\$ -</b>	<b>\$ 1,580,158</b>
<b>Surplus/(Deficit)</b>	<b>\$ 31,458,033</b>	<b>\$ 5,038,253</b>	<b>\$ 6,517,290</b>	<b>\$ 1,218,560</b>	<b>\$ 5,050,235</b>

**Consultant's Comments:**

Penn National	GGR Estimate	\$ 158,044,873	Visitors/Day	5,885
Consultants	GGR Estimate	\$ 121,856,000	Visitors/Day	4,457

**FISCAL IMPACT--3 YEAR SUMMARY\***  
**PENN SUMNER, LLC**

\* 2 Years Construction + 1 Year Operating

<b>Proposer's Estimates</b>					
	<u>State</u>	<u>City of Wellington</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Wellington Schools</u>
<b><u>REVENUE:</u></b>					
Gaming Rev. Sharing	\$ 46,360,736	\$ 1,717,065	\$ 1,717,065	\$ 1,717,065	\$ -
Property Tax	27,950	2,165,475	1,056,575	-	-
Sales/Use Tax	2,016,163	1,423,365	341,531	-	-
Income Tax	-	-	-	-	-
Developer Contributions	10,055,000	2,646,000	-	-	-
<b>Total</b>	<b>\$ 58,459,849</b>	<b>\$ 7,951,905</b>	<b>\$ 3,115,171</b>	<b>\$ 1,717,065</b>	<b>\$ -</b>
<b><u>COSTS:</u></b>					
Law Enforcement	\$ -	\$ 1,014,415	\$ -	\$ -	\$ -
Public Works	10,055,000	2,646,000	-	-	-
Education	-	-	-	-	600,000
Fire Protection/EMS	-	3,417,081	-	-	-
<b>Total</b>	<b>\$ 10,055,000</b>	<b>\$ 7,077,496</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 600,000</b>
<b>Surplus/(Deficit)</b>	<b>\$ 48,404,849</b>	<b>\$ 874,409</b>	<b>\$ 3,115,171</b>	<b>\$ 1,717,065</b>	<b>\$ (600,000)</b>

<b>Consultant's Estimates</b>					
	<u>State</u>	<u>City of Wellington</u>	<u>Sumner County</u>	<u>Sedgwick County</u>	<u>Wellington Schools</u>
<b><u>REVENUE:</u></b>					
Gaming Rev. Sharing	\$ 29,245,440	\$ 1,218,560	\$ 1,218,560	\$ 1,218,560	\$ -
Property Tax	384,550	12,746,307	14,469,093	-	15,385,861
Sales/Use Tax	12,897,696	3,041,909	2,433,528	-	-
Income Tax	4,294,720	-	-	-	-
Developer Contributions	10,055,000	-	-	-	-
<b>Total</b>	<b>\$ 56,877,407</b>	<b>\$ 17,006,776</b>	<b>\$ 18,121,180</b>	<b>\$ 1,218,560</b>	<b>\$ 15,385,861</b>
<b><u>COSTS:</u></b>					
Law Enforcement	\$ -	\$ 2,080,582	\$ 1,008,959	\$ -	\$ -
Public Works	10,055,000	2,849,798	-	-	-
Education	-	-	-	-	6,580,158
Fire Protection/EMS	-	2,502,918	-	-	-
<b>Total</b>	<b>\$ 10,055,000</b>	<b>\$ 7,433,298</b>	<b>\$ 1,008,959</b>	<b>\$ -</b>	<b>\$ 6,580,158</b>
<b>Surplus/(Deficit)</b>	<b>\$ 46,822,407</b>	<b>\$ 9,573,478</b>	<b>\$ 17,112,222</b>	<b>\$ 1,218,560</b>	<b>\$ 8,805,703</b>

**APPENDIX 1**  
**BUILDOUT ASSUMPTIONS AND ESTIMATED CONSTRUCTION COST**  
**AT FULL DEVELOPMENT**

<u>YEAR</u>	<u>USE TYPE</u>	<u>SQUARE FEET CONSTRUCTED</u>	<u>ESTIMATED CONSTR. COST</u>	<u>ESTIM. CONSTR. MATERIALS COST</u>	<u>FF&amp;E PURCHASES</u>
<b>Year 1</b>	Casino	23,333	\$ 17,785,363	\$ 4,771,009	\$ -
	Hotel	151,467	115,452,414	30,970,661	-
	Restaurants	8,364	6,375,545	1,710,270	-
	Entertainment	14,000	10,671,218	2,862,605	-
	Retail	1,167	889,268	238,550	-
<b>Subtotal</b>		<b>198,331</b>	<b>151,173,808</b>	<b>40,553,096</b>	<b>-</b>
<b>Year 2</b>	Casino	46,667	19,084,034	9,542,017	44,595,627
	Hotel	302,933	123,882,645	61,941,322	60,467,239
	Restaurants	16,729	6,841,081	3,420,541	3,339,138
	Entertainment	28,000	11,450,421	5,725,210	5,588,961
	Retail	2,333	954,202	477,101	465,747
<b>Subtotal</b>		<b>396,662</b>	<b>162,212,382</b>	<b>81,106,191</b>	<b>114,456,713</b>
<b>TOTAL</b>		<b>594,993</b>	<b>\$ 313,386,190</b>	<b>\$ 121,659,287</b>	<b>\$ 114,456,713</b>

**APPENDIX 1, ASSUMPTIONS:**

1. Construction of the development is estimated to take 24 months (January 2009 to December 2010).

	<b>Sq. Footage</b>	<b>Other Information</b>
Casino	70,000	1500 slot machines, 40 table games
Hotel	454,400	333 guest rooms and 17 suites
Restaurants	25,093	restaurants and bars
Entertainment	42,000	1750 seat sporting event/convention space
Retail	3,500	retail center, museum, fitness
<b>Total</b>	<b>594,993</b>	

Source: Developer's revised application (final template).

2. Construction costs are estimated using above square footages and cost breakdown provided by Penn National in its template document (land is added in year 1, 33% of buildings are added in year 1 and remainder in year 2, FF&E added in year 2):

	<b>Land</b>	<b>Building</b>	<b>FF&amp;E*</b>	<b>Total**</b>
	\$ 70,067,616	\$ 243,318,573	\$ 114,456,713	\$ 427,842,903

\*FF&E-furniture, fixtures and equipment, including gaming equipment which is allocated to casino.

\*\*Total amounts do not equal investment amounts as the analysis excludes soft costs such as engineering, architecture, finance and administration costs for property tax calculation purposes.

Source: Developer's revised application (final template).

3. Construction materials cost estimated at **50%** of building costs. This cost is estimated for sales tax purposes. Source: Discussions with commercial developers in Nevada.

**APPENDIX 2**  
**ESTIMATED PROPERTY TAX REVENUE AT**  
**2007 PROPERTY TAX RATE**

<u>YEAR</u>	<u>USE TYPE</u>	<u>EST. REAL PROPERTY VALUE</u>	<u>EST. PERSONAL PROPERTY VALUE</u>	<u>CUMULATIVE PROPERTY VALUE</u>	<u>ESTIMATED ASSESSED VALUE</u>	<u>WELLINGTON SCHOOL DIST. REVENUE</u>	<u>CITY OF WELLINGTON REVENUE</u>	<u>SUMNER COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
<b>Year 1</b>	Casino	\$ 17,785,363	\$ -	\$ 17,785,363	\$ 4,446,341				
	Hotel	115,452,414	-	115,452,414	28,863,104				
	Restaurants	6,375,545	-	6,375,545	1,593,886				
	Entertainment	10,671,218	-	10,671,218	2,667,804				
	Retail	889,268	-	889,268	222,317				
<b>Subtotal</b>		<b>151,173,808</b>	<b>-</b>	<b>151,173,808</b>	<b>37,793,452</b>	<b>\$ 2,268,174</b>	<b>\$ 1,879,053</b>	<b>\$ 2,133,025</b>	<b>\$ 56,690</b>
<b>Year 2</b>	Casino	19,084,034	44,595,627	81,998,585	20,499,646				
	Hotel	123,882,645	60,467,239	303,265,871	75,816,468				
	Restaurants	6,841,081	3,339,138	16,747,030	4,186,758				
	Entertainment	11,450,421	5,588,961	28,030,736	7,007,684				
	Retail	954,202	465,747	2,335,895	583,974				
<b>Subtotal</b>		<b>162,212,382</b>	<b>114,456,713</b>	<b>432,378,117</b>	<b>108,094,529</b>	<b>\$ 6,487,293</b>	<b>\$ 5,374,352</b>	<b>\$ 6,100,747</b>	<b>\$ 162,142</b>
<b>Year 3</b>	Casino	-	-	83,120,674	20,780,168				
	Hotel	-	-	310,549,830	77,637,457				
	Restaurants	-	-	17,149,267	4,287,317				
	Entertainment	-	-	28,703,990	7,175,997				
	Retail	-	-	2,391,999	598,000				
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>441,915,759</b>	<b>110,478,940</b>	<b>\$ 6,630,394</b>	<b>\$ 5,492,902</b>	<b>\$ 6,235,321</b>	<b>\$ 165,718</b>
<b>TOTAL</b>		<b>\$ 313,386,190</b>	<b>\$ 114,456,713</b>			<b>\$ 15,385,861</b>	<b>\$ 12,746,307</b>	<b>\$ 14,469,093</b>	<b>\$ 384,550</b>

**APPENDIX 2, ASSUMPTIONS:**

1. Tax rate will remain constant at 2007 amount:

<b>Entity-Fund</b>	<b>Tax Rate*</b>	<b>*rate per \$1,000 of assessed value.</b>
School District	\$ 60.0150	
City	\$ 49.7190	
County	\$ 56.4390	
State	\$ 1.5000	

Source: "Sumner County 2007 Levies," provided by Shane Shields, Sumner County Clerk. Rates include all funds for which property tax revenues are collected.

2. Properties are valued using the fair market value approach. As no comparable sales data exists and this is considered to be a "new and unique" property, the analysis uses the replacement cost approach to value these properties. Source: "A Homeowner's Guide to Property Tax in Kansas." Kansas Department of Revenue.

3. Assessed value estimated at **25%** of appraised value for both real and personal property.

Source: "Treasurer/Clerk" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

4. Appraised value is inflated 3% annually for real property and not inflated for personal property to account for depreciation.

**APPENDIX 3  
SALES TAX REVENUE**

<u>YEAR</u>		<u>SQUARE FT. BUILT</u>	<u>CONSTRUCTION MATERIALS COST (\$)</u>	<u>FF&amp;E PURCHASES</u>	<u>RETAIL SALES</u>	<u>TOTAL TAXABLE SALES</u>	<u>CITY OF WELLINGTON REVENUE</u>	<u>SUMNER COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>
<b>Year 1</b>	Casino	23,333	\$ 4,771,009	\$ -	\$ -	\$ 4,771,009			
	Hotel	151,467	30,970,661	-	-	30,970,661			
	Restaurants	8,364	1,710,270	-	-	1,710,270			
	Entertainment	14,000	2,862,605	-	-	2,862,605			
	Retail	1,167	238,550	-	-	238,550			
<b>Subtotal</b>		<b>198,331</b>	<b>40,553,096</b>	<b>-</b>	<b>-</b>	<b>40,553,096</b>	<b>\$ 506,914</b>	<b>\$ 405,531</b>	<b>\$ 2,149,314</b>
<b>Year 2</b>	Casino	46,667	9,542,017	44,595,627	-	54,137,644			
	Hotel	302,933	61,941,322	60,467,239	-	122,408,562			
	Restaurants	16,729	3,420,541	3,339,138	-	6,759,679			
	Entertainment	28,000	5,725,210	5,588,961	-	11,314,172			
	Retail	2,333	477,101	465,747	-	942,848			
<b>Subtotal</b>		<b>396,662</b>	<b>81,106,191</b>	<b>114,456,713</b>	<b>-</b>	<b>195,562,904</b>	<b>\$ 2,444,536</b>	<b>\$ 1,955,629</b>	<b>\$ 10,364,834</b>
<b>Year 3</b>	Casino	-	-	-	-	-			
	Hotel	-	-	-	-	-			
	Restaurants	-	-	-	6,056,230	6,056,230			
	Entertainment	-	-	-	344,400	344,400			
	Retail	-	-	-	836,122	836,122			
<b>Subtotal</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>7,236,753</b>	<b>7,236,753</b>	<b>\$ 90,459</b>	<b>\$ 72,368</b>	<b>\$ 383,548</b>
<b>TOTAL</b>		<b>594,993</b>	<b>\$ 121,659,287</b>	<b>\$ 114,456,713</b>	<b>\$ 7,236,753</b>	<b>\$ 243,352,752</b>	<b>\$ 3,041,909</b>	<b>\$ 2,433,528</b>	<b>\$ 12,897,696</b>

**APPENDIX 3, ASSUMPTIONS:**

- Sales tax rate is as follows:
 

<u>Designation</u>	
1.250% City	
1.000% County	
<u>5.300%</u> State	
<b>7.550% TOTAL</b>	

Source: "All Jurisdictions and Rates in this Zip Code." Kansas Department of Revenue.
- Materials Cost - 50% of construction cost is assumed to be materials cost.  
Source: Discussion with Nevada contractors
- Retail sales based on \$ **238.89** per square foot. Source: Developer's template for first full year retail revenue divided by retail square footage.  
F&B sales based on \$ **241.35** per square foot. Source: Developer's template for first full year F&B revenue divided by F&B square footage.  
Entertainment sales based on \$ **8.20** per square foot. Source: Developer's template for first full year entertainment revenue/entertainment square footage.
- Year 3 assumes first full year of operation.

**APPENDIX 4**  
**LOTTERY GAMING CONTRIBUTION REVENUE**

<u>YEAR</u>		<u>ESTIMATED GAMING REVENUE</u>	<u>CITY OF WELLINGTON REVENUE</u>	<u>SUMNER COUNTY REVENUE</u>	<u>SEDGWICK COUNTY REVENUE</u>	<u>STATE OF KANSAS REVENUE</u>	<u>STATE PROB. GAMBLING REVENUE</u>
<b>Year 1</b>	Casino	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Year 2</b>	Casino	-	-	-	-	-	-
<b>Year 3</b>	Casino	121,856,000	1,218,560	1,218,560	1,218,560	26,808,320	2,437,120
<b>TOTAL</b>		<b>\$ 121,856,000</b>	<b>\$ 1,218,560</b>	<b>\$ 1,218,560</b>	<b>\$ 1,218,560</b>	<b>\$ 26,808,320</b>	<b>\$ 2,437,120</b>

**APPENDIX 4, ASSUMPTIONS:**

1. Estimated Gross Gaming Revenue (GGR) is the average GGR estimated in Wells and Cummings reports:

Wells GGR \$ 122,612,000

Cummings GGR 121,100,000

**Average \$ 121,856,000**

Source: "Kansas Casino Market Study" by Wells Gaming Research dated July 7, 2008 and "Projections for Likely Gaming Revenues" by Cummings Associates dated July 7, 2008.

2. Local government revenue is estimated as follows:

State of Kansas **22%** of all lottery gaming revenues.

State Prob. Gambling **2%** of all lottery gaming revenues.

Sumner County **1%** of all lottery gaming revenues.

Sedgwick County **1%** of all lottery gaming revenues.

City of Wellington **1%** of all lottery gaming revenues.

Source: SB 66.

3. Year 3 assumes first full year of operation.

**APPENDIX 5**  
**STATE INCOME TAX REVENUE**

<u>YEAR</u>		<u>ESTIMATED PAYROLL EXPENDITURES</u>	<u>ESTIMATED PAYROLL/ EMPLOYEE</u>	<u>STATE OF KANSAS INCOME TAX REVENUE</u>
<b>Year 1</b>	Construction	\$ 24,539,508	\$ 43,410	\$ 1,315,697
	Operating	-	-	-
<b>Subtotal</b>		<b>24,539,508</b>	<b>43,410</b>	<b>1,315,697</b>
<b>Year 2</b>	Construction	24,539,508	43,410	1,315,697
	Operating	-	-	-
<b>Subtotal</b>		<b>24,539,508</b>	<b>43,410</b>	<b>1,315,697</b>
<b>Year 3</b>	Construction	-	-	-
	Operating	33,846,154	30,769	1,663,327
<b>Subtotal</b>		<b>33,846,154</b>	<b>30,769</b>	<b>1,663,327</b>
<b>TOTAL</b>		<b>\$ 82,925,170</b>	<b>\$ 117,590</b>	<b>\$ 4,294,720</b>

**APPENDIX 5, ASSUMPTIONS:**

- Estimated construction payroll is provided by the Developer at \$ **49,079,016** during the construction phase of the project. This includes salaries only, no benefits are included.  
A total of **565** construction employees are estimated annually.  
Source: Developer's revised application (final template).
- Estimated on-going operating payroll is estimated at \$ **33,846,154** per year at full operation. This includes salaries only, no benefit costs are included.  
A total of **1,100** employees are estimated annually.  
Source: Developer's revised application (final template).
- Personal income tax revenue for the State is estimated as follows, using a 2007 schedule:  
For a single person:  
Taxable income between \$0 and \$15,000 is taxed at 3.5%  
Taxable income between \$15,000 and \$30,000 is taxed at 6.25% plus the tax calculated on the first \$15,000  
Taxable income over \$30,000 is taxed at 6.45% plus the tax calculated on the first \$30,000  
Source: Kansas Department of Revenue. 2007 Kansas Individual Income Tax schedule.



**APPENDIX 6**  
**SUMMARY OF ESTIMATED REVENUE**

<u>YEAR</u>		<u>STATE OF KANSAS</u>	<u>SUMNER COUNTY</u>	<u>SEDGWICK COUNTY</u>	<u>CITY OF WELLINGTON</u>	<u>WELLINGTON SCHOOL DIST.</u>
<b>Year 1</b>	Property Tax	\$ 56,690	\$ 2,133,025	\$ -	\$ 1,879,053	\$ 2,268,174
	Sales Tax	2,149,314	405,531	-	506,914	-
	Gaming Revenue	-	-	-	-	-
	Income Tax Revenue	1,315,697	-	-	-	-
<b>Subtotal</b>		<b>3,521,701</b>	<b>2,538,556</b>	<b>-</b>	<b>2,385,966</b>	<b>2,268,174</b>
<b>Year 2</b>	Property Tax	162,142	6,100,747	-	5,374,352	6,487,293
	Sales Tax	10,364,834	1,955,629	-	2,444,536	-
	Gaming Revenue	-	-	-	-	-
	Income Tax Revenue	1,315,697	-	-	-	-
<b>Subtotal</b>		<b>11,842,672</b>	<b>8,056,376</b>	<b>-</b>	<b>7,818,888</b>	<b>6,487,293</b>
<b>Year 3</b>	Property Tax	165,718	6,235,321	-	5,492,902	6,630,394
	Sales Tax	383,548	72,368	-	90,459	-
	Gaming Revenue	29,245,440	1,218,560	1,218,560	1,218,560	-
	Income Tax Revenue	1,663,327	-	-	-	-
<b>Subtotal</b>		<b>31,458,033</b>	<b>7,526,248</b>	<b>1,218,560</b>	<b>6,801,922</b>	<b>6,630,394</b>
<b>TOTAL</b>		<b>\$ 46,822,407</b>	<b>\$ 18,121,180</b>	<b>\$ 1,218,560</b>	<b>\$ 17,006,776</b>	<b>\$ 15,385,861</b>

**APPENDIX 6, ASSUMPTIONS:**

1. State of Kansas revenue includes 2% gaming contribution revenue for problem gambling fund.

**APPENDIX 7  
CITY OF WELLINGTON  
STREETS DEPARTMENT COST PROJECTIONS**

<b><u>YEAR</u></b>	<b><u>ROAD MILES ADDED</u></b>	<b><u>ANNUAL MAINTENANCE COST/MILE</u></b>	<b><u>TOTAL MAINTENANCE COST</u></b>
<b>Year 1</b>	0.0	\$ 10,671	\$ -
<b>Year 2</b>	0.5	10,991	5,495
<b>Year 3</b>	0.0	11,321	5,660
<b>TOTAL</b>	<b>0.5</b>	<b>\$ 32,982</b>	<b>\$ 11,156</b>

**APPENDIX 7, ASSUMPTIONS:**

1. A total of **0.5** mile of Seneca Street will be annexed to the City for maintenance. Source: "Public Works-Streets" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas
2. Maintenance cost per mile is estimated at \$ **10,671** inflated 3% annually. Source: "Public Works-Streets" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

**APPENDIX 8**  
**CITY OF WELLINGTON**  
**WASTEWATER TREATMENT DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u># OF NEW EMPLOYEES</u>	<u>SALARIES &amp; BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	\$ -	\$ -	\$ -	-
Year 2	0	-	-	209,528	209,528
Year 3	2	87,566	41,549	-	129,114
<b>TOTAL</b>	<b>2</b>	<b>\$ 87,566</b>	<b>\$ 41,549</b>	<b>\$ 209,528</b>	<b>\$ 338,642</b>

**APPENDIX 8, ASSUMPTIONS:**

- A total of **2** new Wastewater Operators will be required to service the development.  
Source: "Wastewater Treatment" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.
- Salary for new positions is estimated at \$ **13.60** per hour, based on the average of salary levels for this position.  
Salary is inflated 6% annually, 2% COLA and 4% merit increase.  
Source: "Wastewater Treatment" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.
- Benefits are estimated at **30%** of salary costs.  
Source: "Wastewater Treatment" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.
- Employee costs include a uniform allowance at \$ **5.50** per employee per week and training/testing costs of \$ **500** per employee per year. These costs are not added as they are estimated to be included under Services/Supplies above. Source: "Wastewater Treatment" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.
- Services/supplies are estimated at **47%** of salaries and benefits.

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Average</b>
<b>Personnel Services</b>	\$ 188,040	\$ 191,737	\$ 191,649	\$ 190,475
<b>Contractual</b>	34,183	36,000	36,000	35,394
<b>Commodities</b>	54,652	55,150	55,150	54,984
<b>% of PS</b>	47%	48%	48%	47%

Source: City of Wellington Budget. Three year average contractual and commodities costs as percent of personnel services costs (2006-2008) for the Sewage Treatment department.
- The following capital costs are expected to be incurred in 2008, inflated 3% annually:

Pickup truck	\$ 27,500
Cleaning/vacuum truck	150,000
Bobcat equipment	20,000
	<b>\$ 197,500</b>

Source: "Wastewater Treatment" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

**APPENDIX 9  
CITY OF WELLINGTON  
POLICE DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u># OF NEW EMPLOYEES</u>	<u>SALARIES &amp; BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL CONSTR./ EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	\$ -	\$ -	\$ -	-
Year 2	0	-	-	1,485,260	1,485,260
Year 3	7	432,629	52,874	109,819	595,322
<b>TOTAL</b>	<b>7</b>	<b>\$ 432,629</b>	<b>\$ 52,874</b>	<b>\$ 1,595,079</b>	<b>\$ 2,080,582</b>

**APPENDIX 9, ASSUMPTIONS:**

1. A total of **7** new employees will be required to service the development:

	<b># of Employees</b>	<b>Salary/Benefits</b>	<b>Total Cost</b>
Officers	5	\$ 57,773	<b>288,865</b>
Detective	1	57,773	<b>57,773</b>
Records Clerk	1	37,968	<b>37,968</b>
<b>Total</b>	<b>7</b>		<b>\$ 384,606</b>

Salary and benefits costs are increased 4% annually.

Source: "Police" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

2. Employee costs include a uniform allowance at **\$ 3,000** per officer. This cost is not added as it is estimated to be included under Services/Supplies above.

Source: "Police" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

3. Services/supplies are estimated at **12%** of salaries and benefits.

	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Average</b>
<b>Personnel Services</b>	\$ 1,113,342	\$ 1,126,621	\$ 1,119,986	\$ 1,119,983
<b>Contractual</b>	79,164	78,660	81,722	79,849
<b>Commodities</b>	50,628	61,085	59,375	57,029
<b>% of PS</b>	12%	12%	13%	12%

Source: City of Wellington Budget. Three-year average contractual and commodities costs as percent of personnel services costs (2006-2008) for the Police department.

4. The following capital costs are expected to be incurred:

A total of 3 police vehicles at a cost of **\$ 33,500** per vehicle.

A substation will be constructed to add approximately **2,000** square feet of space.

Source: "Police" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

Construction cost is estimated at **\$ 150** per square foot. Source: Previous FI analyses conducted by MBA.

Furniture, fixtures and equipment (FF&E) costs are estimated at **\$ 1,100,000** Source: "Fire/EMS" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas. The new police substation is expected to share the space with the fire station.

Construction and FF&E costs are inflated 3% annually.

**APPENDIX 10  
CITY OF WELLINGTON  
FIRE DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u># OF NEW EMPLOYEES</u>	<u>SALARIES &amp; BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	\$ -	\$ -	\$ -	-
Year 2	0	-	-	1,469,347	1,469,347
Year 3	16	915,938	117,634	-	1,033,572
<b>TOTAL</b>	<b>16</b>	<b>\$ 915,938</b>	<b>\$ 117,634</b>	<b>\$ 1,469,347</b>	<b>\$ 2,502,918</b>

**APPENDIX 10, ASSUMPTIONS:**

1. A total of **16** new employees will be required to service the development:

	<u># of Employees</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total Cost</u>
Captain	3	\$ 40,945	\$ 14,065	<b>165,029</b>
Lieutenant	6	38,553	13,243	<b>310,772</b>
Firefighter/EMICT	3	35,890	12,328	<b>144,655</b>
Firefighter/EMS	3	35,235	12,103	<b>142,015</b>
Fire Prevention Officer	<u>1</u>	<u>38,553</u>	<u>13,243</u>	<b>51,795</b>
<b>Total</b>	<b>16</b>			<b>\$ 814,265</b>

Salary and benefits costs are increased 4% annually. Benefits are estimated at **34%** of salary.

Salary amounts are averages for each positions' salary range.

Source: "Fire/EMS" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

2. Employee costs include a uniform and training cost of \$ **12,000** a year. This cost is not added as it is estimated to be included under Services/Supplies above.

Source: "Fire/EMS" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

3. Services/supplies are estimated at **13%** of salaries and benefits.

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>Average</u>
<b>Personnel Services</b>	\$ 1,279,805	\$ 1,296,456	\$ 1,326,777	\$ 1,301,013
<b>Contractual</b>	81,533	81,873	93,846	85,751
<b>Commodities</b>	75,267	83,250	85,500	81,339
<b>% of PS</b>	12%	13%	14%	13%

Source: City of Wellington Budget. Three year average contractual and commodities costs as percent of personnel services costs (2006-2008) for the Fire & Ambulance department.

4. The following capital costs are expected to be incurred:

Aerial Platform	\$ 1,000,000
Ambulance	200,000
Rescue Truck	<u>185,000</u>
	<b>\$ 1,385,000</b>

inflated 3% annually.

Source: "Fire/EMS" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

A new fire station will be required and will share space with the new police substation. Costs are shown for Police Department, Appendix 9.

**APPENDIX 11  
CITY OF WELLINGTON  
ELECTRIC DISTRIBUTION DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u>TOTAL COST OF IMPROVEMENTS</u>	<u>% ATTRIBUTED TO DEVELOPMENT</u>	<u>TOTAL DEVELOPMENT COST</u>
Year 1	\$ -	0%	\$ -
Year 2	6,030,000	41%	2,500,000
Year 3	-	0%	-
<b>TOTAL</b>	<b>\$ 6,030,000</b>		<b>\$ 2,500,000</b>

**APPENDIX 11, ASSUMPTIONS:**

1. The following Electric Distribution department improvements are required:

**Short-Term Improvements**

69 kV switching station	\$ 825,000
Construction of 5.5 miles of 69 kV lines	660,000
69-13.2 substation with 3-13.2 kV bays	600,000
20/25 MVA 69-13.2 kV transformer	1,200,000
Construction of 3-13.2 kV feeders	165,000
Padmount transformers and underground feeder	300,000

**Long Term Improvements**

69-13.2 substation at turbine site	520,000
20/25 69-13.2 kV transformer	1,200,000
13.2 kV tie to gas turbine substation	25,000
Tie from 69 kV switchyard to gas turbine switchyard	35,000
Complete 69 kV loop between substations	500,000

**Total Cost \$ 6,030,000**

Source: "Electric Distribution" Questionnaire provided by Gus Collins, City Manager, Wellington, Kansas.

2. Approximately \$ **2,500,000** of all improvements or **41%** will be attributed to the casino development. Source: Conversations with Gus Collins, City Manager, Wellington, Kansas.

**APPENDIX 12  
CITY OF WELLINGTON  
SUMMARY OF ESTIMATED COSTS**

<b><u>YEAR</u></b>	<b><u>STREETS DEPARTMENT</u></b>	<b><u>WASTEWATER DEPARTMENT</u></b>	<b><u>POLICE DEPARTMENT</u></b>	<b><u>FIRE/EMS DEPARTMENT</u></b>	<b><u>ELECTRIC DISTRIBUTION</u></b>	<b><u>ADMIN. OVERHEAD</u></b>	<b><u>TOTAL COSTS</u></b>
<b>Year 1</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Year 2</b>	5,495	209,528	1,485,260	1,469,347	2,500,000	1,167,933	6,837,563
<b>Year 3</b>	5,660	129,114	595,322	1,033,572	-	363,312	2,126,981
<b>TOTAL</b>	<b>\$ 11,156</b>	<b>\$ 338,642</b>	<b>\$ 2,080,582</b>	<b>\$ 2,502,918</b>	<b>\$ 2,500,000</b>	<b>\$ 1,531,246</b>	<b>\$ 8,964,544</b>

**APPENDIX 12, ASSUMPTIONS:**

1. See Appendices 7-11 for detailed calculations of all department costs.
2. Administrative overhead costs estimated at **21%** of all department costs estimated in this analysis.  
Source: City of Wellington Budget. Three-year average indirect costs as percent of direct costs (2006-2008) for the General Fund.

<b>Direct</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Average</b>
Police	1,254,091	1,273,666	1,317,991	1,281,916
Fire/Ambulance	1,443,305	1,469,579	1,506,123	1,473,002
Auditorium	39,030	31,700	30,500	33,743
Park	212,473	240,515	243,470	232,153
Swimming Pool	40,927	26,425	44,100	37,151
Street	717,887	828,742	886,689	811,106
Cemetery	77,933	97,264	105,958	93,718
Engineering	304,034	320,833	335,425	320,097
Legal	124,565	129,395	131,522	128,494
Lake	120,439	145,024	144,237	136,567
<b>Total</b>	<b>4,334,684</b>	<b>4,563,143</b>	<b>4,746,015</b>	<b>4,547,947</b>
<b>Indirect</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>Average</b>
Mayor/Council	14,709	21,221	21,521	19,150
City Manager	110,341	137,345	183,057	143,581
City Clerk	278,651	294,493	318,137	297,094
Utility Collections	247,651	280,901	284,417	270,990
Public Works	84,277	88,296	98,176	90,250
General Services	69,527	79,005	71,216	73,249
Janitorial	43,487	44,577	39,601	42,555
<b>Total</b>	<b>848,643</b>	<b>945,838</b>	<b>1,016,125</b>	<b>936,869</b>
<b>% Indirect of Direct</b>	<b>20%</b>	<b>21%</b>	<b>21%</b>	<b>21%</b>

**APPENDIX 13  
SUMNER COUNTY  
SHERIFF DEPARTMENT COST PROJECTIONS**

<u>YEAR</u>	<u># OF NEW EMPLOYEES</u>	<u>SALARIES &amp; BENEFITS</u>	<u>SERVICES/ SUPPLIES</u>	<u>CAPITAL CONSTR./ EQUIPMENT</u>	<u>TOTAL COST</u>
Year 1	0	\$ -	\$ -	\$ -	-
Year 2	0	-	-	-	-
Year 3	9	577,055	367,007	64,897	1,008,959
<b>TOTAL</b>	<b>9</b>	<b>\$ 577,055</b>	<b>\$ 367,007</b>	<b>\$ 64,897</b>	<b>\$ 1,008,959</b>

**APPENDIX 13, ASSUMPTIONS:**

1. A total of **9** new employees will be required to service the development:

	<b># of Employees</b>	<b>Total Cost*</b>
Patrol Officers	3	\$ 217,500
Detective	1	73,000
Detention Officers	5	222,500
<b>Total</b>	<b>9</b>	<b>\$ 513,000</b>

\*Total Cost includes salary and benefits. Salary and benefits costs are increased 4% annually.

Source: Gerald Gilkey, Sumner County Sheriff.

3. Services/supplies and capital outlay are estimated as follows:

	<b>2006</b>	<b>2005</b>	<b>Average</b>
<b>Personnel Services</b>	\$ 939,491	\$ 863,355	\$ 901,423
<b>Contractual (CC)</b>	126,985	96,645	111,815
<b>Commodities (CC)*</b>	477,795	445,184	461,490
<b>Capital Outlay (CO)</b>	108,784	93,967	101,376
<b>CC % of PS</b>	64%	63%	64%
<b>CO % of PS</b>	12%	11%	11%

\*Includes other jail expenses, juvenile detention, reimbursements and prisoner board costs.

Source: "Sumner County, Kansas Annual Financial Report" December 31, 2006. Two-year average (2005-2006) for the Sheriff's Department.



**APPENDIX 14**  
**WELLINGTON SCHOOL DISTRICT**  
**ESTIMATED COSTS**

<u>YEAR</u>	<u>SALARIES/ BENEFITS COSTS</u>	<u>SERVICES/ SUPPLIES COSTS</u>	<u>CAPITAL CONSTRUCTION COSTS</u>	<u>ESTIMATED TOTAL COSTS</u>
Year 1	\$ -	\$ -	\$ -	\$ -
Year 2	-	-	5,000,000	5,000,000
Year 3	1,316,798	263,360	-	1,580,158
<b>TOTAL</b>	<b>\$ 1,316,798</b>	<b>\$ 263,360</b>	<b>\$ 5,000,000</b>	<b>\$ 6,580,158</b>

**APPENDIX 14, ASSUMPTIONS:**

1. A new elementary school could possibly be required with the following positions and salaries due to the casino/hotel development.

<b>Position</b>	<b># of Employees</b>	<b>Salary Costs</b>	<b>Benefits Costs</b>	<b>Total Costs</b>
Teachers	20	\$ 40,000	\$ 10,000	\$ 1,000,000
Para-profess.	5	10,000	-	50,000
School Admin.	1	70,000	17,500	87,500
	<b>26</b>			<b>\$ 1,137,500</b>

Source: Rick Weiss, Superintendent, Wellington School District.

Benefits estimated at 30% of salary. Source: Previous fiscal impact studies conducted by MBA.

No benefits estimated for paraprofessional employees as they are assumed to be part-time employees.

Salaries are inflated **5%** annually.

Source: Rick Weiss, Superintendent, Wellington School District.

2. School services and supplies are estimated at **20%** of salary/benefits costs. Source: Previous fiscal impact studies conducted by MBA.
3. A new school will be required to absorb the increased student population. Costs are estimated at **\$ 5,000,000** and will include construction and furniture, fixtures and equipment (FF&E) costs. Source: Rick Weiss, Superintendent, Wellington School District.

**APPENDIX 15**  
**COMPARISON OF ESTIMATED REVENUE TO**  
**ESTIMATED COSTS AND CUMULATIVE REVENUE SURPLUS**

**CITY OF WELLINGTON**

<u>YEAR</u>	<u>PROJECT REVENUE</u>	<u>PROJECT COSTS</u>	<u>ANN'L REVENUE SURPLUS/ (DEFICIT)</u>	<u>CUMUL. SURPLUS/ (DEFICIT)</u>
Year 1	\$ 2,385,966	\$ -	\$ 2,385,966	\$ 2,385,966
Year 2	7,818,888	6,837,563	981,325	3,367,292
Year 3	6,801,922	2,126,981	4,674,941	8,042,232
<b>TOTAL</b>	<b>\$ 17,006,776</b>	<b>\$ 8,964,544</b>	<b>\$ 8,042,232</b>	

**SUMNER COUNTY**

<u>YEAR</u>	<u>PROJECT REVENUE</u>	<u>PROJECT COSTS*</u>	<u>ANN'L REVENUE SURPLUS/ (DEFICIT)</u>	<u>CUMUL. SURPLUS/ (DEFICIT)</u>
Year 1	\$ 2,538,556	\$ -	\$ 2,538,556	\$ 2,538,556
Year 2	8,056,376	-	8,056,376	10,594,932
Year 3	7,526,248	1,008,959	6,517,290	17,112,222
<b>TOTAL</b>	<b>\$ 18,121,180</b>	<b>\$ 1,008,959</b>	<b>\$ 17,112,222</b>	

\*Only Sheriff department costs were estimated to compare to developer estimates; other impacts may include county roads, judicial, and other departments providing services to the development.

**WELLINGTON SCHOOL DISTRICT**

<u>YEAR</u>	<u>PROJECT REVENUE</u>	<u>PROJECT COSTS</u>	<u>ANN'L REVENUE SURPLUS/ (DEFICIT)</u>	<u>CUMUL. SURPLUS/ (DEFICIT)</u>
Year 1	\$ 2,268,174	\$ -	\$ 2,268,174	\$ 2,268,174
Year 2	6,487,293	5,000,000	1,487,293	3,755,467
Year 3	6,630,394	1,580,158	5,050,235	8,805,703
<b>TOTAL</b>	<b>\$ 15,385,861</b>	<b>\$ 6,580,158</b>	<b>\$ 8,805,703</b>	

**STATE OF KANSAS**

<u>YEAR</u>	<u>PROJECT REVENUE</u>	<u>PROJECT COSTS*</u>	<u>ANN'L REVENUE SURPLUS/ (DEFICIT)</u>	<u>CUMUL. SURPLUS/ (DEFICIT)</u>
Year 1	\$ 3,521,701	\$ -	\$ 3,521,701	\$ 3,521,701
Year 2	11,842,672	-	11,842,672	15,364,373
Year 3	31,458,033	-	31,458,033	46,822,407
<b>TOTAL</b>	<b>\$ 46,822,407</b>	<b>\$ -</b>	<b>\$ 46,822,407</b>	

\*No costs associated with this development are estimated for the State of Kansas on the assumption that all gaming facility-related costs will be covered by revenue generated by the development. However, it is expected that costs will be incurred by the Highway Patrol, Department of Transportation (highway maintenance), Department of Racing and Gaming, and the Kansas Lottery among others.